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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

AMENDED

ARIZONA CORPORATION
COMMISSION

OCT 26 2001

Director of Utilities

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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CERBAT WATER COMPANY
2409 RICCA DRIVE
KINGMAN, AZ 86401

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

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CERBAT WATER COMPANY

UTILITIES DIVISION
ANNUAL REPORT

YEAR ENDED DECEMBER 31, 2000

Dennis, Schmich & Co., Ltd.

Certified Public Accountants
Member of the AICPA Private Companies Practice Section

Telephone (602) 265-5900

3839 North Third Street Suite 305
Phoenix, Arizona 85012

The Board of Directors
Cerbat Water Company
Kingman, Arizona

We have compiled the accompanying balance sheets for Cerbat Water Company as of December 31, 2000 and 1999, and the related comparative statements of income and expense for the years then ended included in the accompanying prescribed form of Utilities Division Annual Report of Cerbat Water Company in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information on pages 3 through 6, page 10, and pages 13 through 15.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplemental information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information on pages 11 through 12 contained in the accompanying prescribed form has not been audited, reviewed or compiled by us and, accordingly, we assume no responsibility for that information.

Certain errors resulting in an understatement of fixed assets, an understatement of advances in aid of construction and an understatement of depreciation expense as of December 31, 2000 were discovered by management of Cerbat Water Company subsequent to the issuance of our report on those financial statements dated July 17, 2001. Accordingly, the accompanying 2000 financial statements have been restated to correct the error.

We are not independent with respect to Cerbat Water Company.

October 9, 2001

Dennis, Schmich & Co., Ltd.

COMPANY INFORMATION

AMENDED

Company Name (Business Name) CERBAT WATER COMPANY**Mailing Address** 2409 RICCA DRIVE

(Street)

KINGMAN

(City)

AZ

(State)

86401

(Zip)

(520) 753-1121

Telephone No. (Include Area Code)

(520) 753-1963

Fax No. (Include Area Code)

(520) 716-1888

Pager/Cell No. (Include Area Code)

Email Address _____**Local Office Mailing Address** 2409 RICCA DRIVE

(Street)

KINGMAN

(City)

AZ

(State)

86401

(Zip)

(520) 753-1121

Local Office Telephone No. (Include Area Code)

(520) 753-1963

Fax No. (Include Area Code)

(520) 716-1888

Pager/Cell No. (Include Area Code)

Email Address _____**MANAGEMENT INFORMATION****Management Contact:** B. MARC NEAL

(Name)

PRESIDENT

(Title)

8103 E. HWY 66

(Street)

KINGMAN

(City)

AZ

(State)

86401

(Zip)

(520) 753-1121

Telephone No. (Include Area Code)

(520) 753-1963

Fax No. (Include Area Code)

(520) 716-1888

Pager/Cell No. (Include Area Code)

Email Address _____**On Site Manager:** B. MARC NEAL

(Name)

SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

SAME AS ABOVE

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

See accountant's compilation report

Statutory Agent: JAY DUSHOFF

(Name)

2575 E. CAMELBACK RD.

(Street)

PHOENIX

(City)

AZ

(State)

85016

(Zip)

(602) 530-8000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: RICHARD SALLQUIST

(Name)

2525 E. BILTMORE CR. #117

(Street)

PHOENIX

(City)

AZ

(State)

85016

(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

(602) 224-9366

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)☒ C Corporation (C) (Other than Association/Co-op)☐ Partnership (P)☐ Subchapter S Corporation (Z)☐ Bankruptcy (B)☐ Association/Co op (A)☐ Receivership (R)☐ Limited Liability Company☐ Other (Describe) _____**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE☐ COCHISE☐ COCONINO☐ GILA☐ GRAHAM☐ GREENLEE☐ LA PAZ☐ MARICOPA☒ MOHAVE☐ NAVAJO☐ PIMA☐ PINAL☐ SANTA CRUZ☐ YAVAPAI☐ YUMA

STATEWIDE

See accountant's compilation report

COMPANY NAME	CERBAT WATER COMPANY
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UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	6,000	0	6,000
304	Structures and Improvements			
307	Wells and Springs	13,500	12,488	1,012
311	Pumping Equipment	49,370	45,561	3,809
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	126,570	30,780	95,790
331	Transmission and Distribution Mains	567,553	360,668	206,885
333	Services	8,798	1,760	7,038
334	Meters and Meter Installations	26,758	5,701	21,057
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	798,549	456,958	341,591

This amount goes on the Balance Sheet Acct. No. 108 

See accountant's compilation report

COMPANY NAME	CERBAT WATER COMPANY
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CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	6,000	N/A	0
304	Structures and Improvements			
307	Wells and Springs	13,500	.05	675
311	Pumping Equipment	49,370	.05	2,468
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	126,570	.05	6,329
331	Transmission and Distribution Mains	567,553	.05	28,378
333	Services	8,798	.05	440
334	Meters and Meter Installations	26,758	.05	1,337
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
	****LESS AMORTIZATION OF CIAC****			-9,836
348	Other Tangible Plant			
	TOTALS	798,549		29,791

This amount goes on Comparative Statement of Income and Expense Acct. No. 403

See accountant's compilation report

COMPANY NAME	CERBAT WATER COMPANY
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BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10,509	\$ 228
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 10,509	\$ 228
	FIXED ASSETS		
101	Utility Plant in Service	\$ 441,867	\$ 798,549
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	182,879	456,958
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 258,988	\$ 341,591
	TOTAL ASSETS	\$ 269,497	\$ 341,819

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

See accountant's compilation report

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	174,632	216,094
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 174,632	\$ 216,094
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 196,718	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	32,441	349,979
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		196,718
272	Less: Amortization of Contributions		137,704
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 32,441	\$ 408,993
	TOTAL LIABILITIES	\$ 403,791	\$ 625,087
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 204,341	\$ 204,341
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(338,635)	(487,609)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (134,294)	\$ (283,268)
	TOTAL LIABILITIES AND CAPITAL	\$ 269,497	\$ 341,819

See accountant's compilation report

COMPANY NAME	CERBAT WATER COMPANY
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COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 31,147	\$ 34,258
460	Unmetered Water Revenue		
474	Other Water Revenues	475	660
	TOTAL REVENUES	\$ 31,622	\$ 34,918
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 2,200	\$ 0
610	Purchased Water	13,953	28,956
615	Purchased Power	2,629	2,801
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing	702	1,148
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	16,993	30,530
403	Depreciation Expense	1,313	29,791
408	Taxes Other Than Income	1,533	0
408.11	Property Taxes		10,904
409	Income Tax	50	50
	TOTAL OPERATING EXPENSES	\$ 39,373	\$ 104,180
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$ 0	\$
	NET INCOME/(LOSS)	\$ (7,751)	\$ (69,262)

See accountant's compilation report

COMPANY NAME	CERBAT WATER COMPANY
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SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VAR			
Source of Loan	CKN FAMILY TRUST			
ACC Decision No.				
Reason for Loan	LINE OF CREDIT			
Dollar Amount Issued	\$ VAR	\$	\$	\$
Amount Outstanding	\$ 216,094	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$ 0	\$	\$	\$
Current Year Principle	\$ 0	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 0
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Meter Deposits Refunded During the Test Year	\$ 0
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See accountant's compilation report

COMPANY NAME	CERBAT WATER COMPANY
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WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CLAUDE K. NEAL FAMILY TRUST		20,682

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	9	
20	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	STEEL TANK		
22,000	STEEL TANK		

STATISTICAL INFORMATION

AMENDED

Total number of customers 140

Total number of gallons sold 20,489,260 gallons

COMPANY NAME CERBAT WATER COMPANY YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 10,940

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME CERBAT WATER COMPANY YEAR ENDING 12/31/2000**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>
State Taxable Income Reported	<u>50</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

B. MARC NEAL**PRINTED NAME**

PRESIDENT**TITLE**

See accountant's compilation report

AMENDED

COMPANY NAME CERBAT WATER COMPANY YEAR ENDING 12/31/2000

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

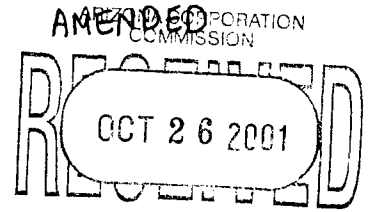
\$ 10,904

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

See accountant's compilation report

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
MOHAVE
NAME (OWNER OR OFFICIAL) TITLE
B. MARC NEAL
COMPANY NAME
CERBAT WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 36,056

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,798
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

B Marc Neal
SIGNATURE OF OWNER OR OFFICIAL
928-753-1121
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 24th DAY OF

COUNTY NAME
<u>Mohave</u>
MONTH <u>October</u> YEAR <u>2001</u>

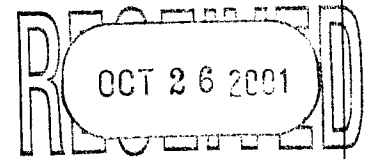
(SEAL)
MY COMMISSION EXPIRES 12-7-2012
Notary Public Arizona
Barbara E. Hubbs

Barbara E. Hubbs
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

AMENDED

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) MOHAVE		Director of Utilities
NAME (OWNER OR OFFICIAL) B. MARC NEAL	PRESIDENT	
COMPANY NAME CERBAT WATER COMPANY		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
<u>\$36,056</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,798
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X B Marc Neal
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

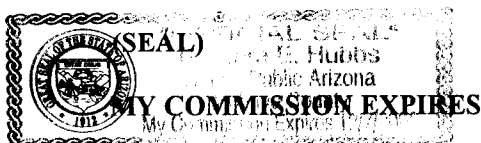
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

24 th

DAY OF

NOTARY PUBLIC NAME <u>Barbara E Hubbs</u>	
COUNTY NAME <u>Mohave</u>	
MONTH <u>October</u>	<u>20 01</u>



X Barbara E Hubbs
SIGNATURE OF NOTARY PUBLIC